

SLO COUNTY PLANNING AND BUILDING

Workforce Housing Ordinances

Public Hearing Draft

April 25, 2016

A series of amendments to Title 21 (Real Property Division Ordinance) and Title 22 (Land Use Ordinance) of the San Luis Obispo County Code

Introduction

The Problem: The Building, Design, and Construction community has expressed a concern that existing policies tend to discourage the development of small, detached single-family residences on individual lots. This housing type is important to growing the County's economy, as it presents an opportunity to provide high-quality, desirable housing for the workforce. At present, market conditions and development costs result in new residences averaging around 2,400 square feet in size. These residences tend to be unaffordable to the workforce of economic growth sectors, such as tourism, health services, energy, and specialized manufacturing. Building affordable workforce housing is essential to attracting new job-generating businesses to the County.

A Potential Solution: The County could seek to create incentives for developers that build new workforce housing subdivisions. If successful, this pilot program could be extended to the Coastal Zone or modified to fit the municipal code of incorporated cities.

Background

The County has been collaborating with the Economic Vitality Corporation (EVC) on developing and implementing an economic strategy for the County. In 2013, the EVC published a report on the results of a survey regarding workforce housing. The report (available [here](#)) presented a number of findings, including the following:

- Employees and employers both indicate that housing is difficult to find.
- Both employees and employers have a desire to reside and work in the same city, but will consider a commute of up to 30 minutes. The average employee commute time is about 15 minutes.
- The most desired housing type is a detached residence with three bedrooms, two baths, and a two-car garage.

In November 2013, while discussing the implementation of the Inclusionary Housing Ordinance, the Board of Supervisors formed an ad-hoc committee to consider ordinance amendments to incentivize the development of workforce housing. In July 2014, the Board authorized County staff to process ordinance amendments to address workforce housing.

Since that time, County staff has been working closely with the Economic Vitality Corporation (EVC) to scope potential ordinance amendments. The scope has been focused on two programs:

- 1) **Workforce Housing Subdivisions** – Relaxing the standard requirements for new subdivisions that involve development of workforce housing.
- 2) **Mixed-Use Developments** – Allowing interim residential uses to occur in commercial mixed-use developments.

The obligations and benefits for these programs are summarized in the following table:

	Obligations	Benefits
Workforce Housing Subdivisions	<ul style="list-style-type: none"> The first sale of residences built in workforce housing subdivisions must be affordable to the workforce. Sales prices are further reduced to 75% of the countywide standard for Oceano and 71% of the countywide standard for San Miguel. The first sale of residences built in workforce housing subdivisions must be owner-occupied. Residential units comply with workforce housing design guidelines (new). 	<ul style="list-style-type: none"> 25 percent reduction of the required number of inclusionary housing units. Ability to count secondary residences towards meeting half of the inclusionary housing unit requirement. No need to deed restrict secondary residences that are designated as inclusionary housing units. Additional flexibility for subdivision design (i.e. setbacks, lot size, lot width, parking, etc.), without being subject to planned development standards.
Mixed Use	<ul style="list-style-type: none"> The ground floor of buildings fronting a public road must be constructed to commercial standards. 	<ul style="list-style-type: none"> The Review Authority may approve residential as a primary use in Commercial Retail (CR) and Office and Professional (OP) zones, as long as more than 50 percent of the floor area is designed to accommodate a commercial use. Commercial space may be occupied with residential uses on an interim basis.

Housing Affordability Standards

Housing Affordability Standards are calculated pursuant to Section 22.12.070 of the Land Use Ordinance. County Planning and Building publishes affordability standards on its website on a monthly basis.

Workforce Housing Selling Prices (4/4/16)	Countywide Standard <i>Templeton, Nipomo</i>	Reduction to 75% <i>Oceano</i>	Reduction to 71% <i>San Miguel</i>
Studio	\$348,000	\$261,000	\$247,080
1-bedroom	\$402,000	\$301,500	\$285,420
2-bedroom	\$455,000	\$341,250	\$323,050
3-bedroom	\$508,000	\$381,000	\$360,680

4-bedroom	\$551,000	\$413,250	\$391,210
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Ordinance Components

Section 1	Add new Section 22.30.477 (Residential – Workforce Housing Subdivision)
Section 2	Modify Subsection A of Section 22.30.490 of Section 22.30.490 (Residential uses in Office or Commercial Retail Land Use Category)
Section 3	Modify Subsection A.2 of Section 22.10.130 (Residential Density)
Section 4	Modify Table 2-2 (Section 22.06.030) to include Workforce Housing Subdivisions as a use subject to the restrictions in Section 22.30.477.
Section 5	Add new Subsection G.7 to Section 22.12.080 (Inclusionary Housing)
Section 6	Modify Subsection H of Section 22.12.080 (Inclusionary Housing)
Section 7	Add new Subsection E to Section 22.22.020 (Applicability)
Section 8	Add new definitions to Chapter 22.80
Section 9	Modify Section 21.03.020 (Adjustments)

Environmental Review

The County is proposing to use a General Rule Exemption (GRE) from the California Environmental Quality Act (CEQA). The rationale for the use of the GRE is that the ordinance will not affect residential density, thereby avoiding additional operational impacts (e.g. water use, traffic, etc.).

Next Steps

Presently Workforce Housing Guidelines, including graphics, under development.

Late October Public Review Draft to be released along with a draft of the workforce housing guidelines.

November, December Attend CAC meetings: South County Advisory Council, Oceano Advisory Council, San Miguel Advisory Council, Templeton Area Advisory Group.

January 2016 County to coordinate with EVC to discuss feedback received on the Public Review Draft and potential revisions.

February 2016 Public Hearing Draft to be released; hearing dates to be scheduled at the Planning Commission.

Notes

- 1) Additions are depicted with blue underline text.
- 2) Deletions are depicted with ~~red strikethrough text~~.

Section 1

Add new Section 22.30.477 (Residential – Workforce Housing Subdivision)

PURPOSE
To set out the requirements and benefits of workforce housing subdivisions.
PRESENT CONDITIONS
At present, “workforce housing subdivisions” are not defined in the ordinance. Land may be divided using either a conventional subdivision or a common interest subdivision, such as a planned development.
DESIRED EFFECT
This section creates another option for subdivision. It would allow conventional subdivisions to occur with reduced parcel size standards (resembling a planned development) if they qualify as a “workforce housing subdivision.”

22.30.477 – Residential – Workforce Housing Subdivision

A. Purpose and intent. The purpose of this Section is to create a program that incentivizes development of new housing that is affordable to San Luis Obispo County’s workforce. The ordinance provides a means to reduce the standard subdivision requirements in exchange for a commitment to construct workforce housing.

A workforce housing subdivision is meant to facilitate the creation of small fee-simple lots to accommodate infill housing within existing communities. A workforce housing subdivision differs from a planned development (see Section 22.22.145), in that there is no requirement for common space and lots. Lots are individually owned and structurally independent of one another, as in a conventional subdivision.

The purpose and intent of this ordinance is to encourage the development of workforce housing.

Attachment 2 - Exhibit B - Workforce Housing Ordinance Amendments

B. Workforce housing subdivision requirements. To qualify as a workforce housing subdivision, a subdivision of land or adjustment of lot lines shall meet the following standards:

1. Location and land use category. Workforce housing subdivisions shall be located within an Urban or Village Reserve Line and within the Residential Single Family, Residential Multi-Family, Office and Professional, and Commercial Retail land use category.

2. Services. Workforce housing subdivisions shall be served by community water and sewer service.

3. Restriction on first conveyance. The first conveyance of a developed workforce housing lot shall be subject to the following restrictions:

a. The initial sales price shall be limited to the maximum affordable sales price for workforce households, as set forth in Subsection C of Section 22.12.070 (Housing Affordability Standards), except in the following communities:

(1) Oceano: The initial sales price shall be limited to 75 percent of the maximum affordable sales price for workforce households.

(2) San Miguel: The initial sales price shall be limited to 71 percent of the maximum affordable sales price for workforce households.

b. The grantee of the first conveyance shall occupy the parcel as their primary residence.

C. Permit level. A workforce housing subdivision may be approved as part of a tentative parcel map or tentative tract map. A lot line adjustment may be approved in compliance with this Section, if processed concurrently with a Minor Use Permit.

D. Application content. In addition to the application materials required by Chapter 21.02 of the Real Property Division Ordinance, the following shall be submitted with any application for a workforce housing subdivision:

1. Lot design. For each lot, the tentative map shall identify the following features:

a. Designation of a front property line. The front entrance for the primary residence will be required to align with the front property line on each new lot.

b. The setbacks proposed from the front, rear, and side property lines.

Workforce housing subdivisions must:

- *Be inside a URL or VRL.*
- *Have both community water and sewer service.*

The first sale of a workforce housing lot is restricted:

- *Owner-occupied.*
- *Sales price limited to be affordable at 160% median income.*

Oceano and San Miguel are two communities that have a lower median income than the County (75 percent and 71 percent, respectively). As such, the sales prices in these communities are adjusted to reflect this.

Workforce housing subdivisions are permitted through the standard parcel map or tract map process.

Additional application contents apply. This is needed due to design implications of allowing smaller lots.

Attachment 2 - Exhibit B - Workforce Housing Ordinance Amendments

c. The location of required parking spaces.

2. Floor plans and elevations. Conceptual-level floor plans and elevations demonstrating how a workforce residence may be located on each lot.

3. Draft maintenance agreement. A draft agreement identifying how subdivision infrastructure will be maintained.

4. Preliminary grading and drainage plans. Preliminary grading and drainage plans for all lots and subdivision improvements. Such plans shall be compliance with Section 22.10.155 and Chapter 22.52.

5. Preliminary landscaping and fencing plans. Preliminary landscaping and fencing plans in compliance with Chapter 22.16.

E. Development standards for workforce housing subdivisions. The following standards apply to projects approved as workforce housing subdivisions:

1. Minimum Site Area. The Minimum Site Area for a workforce housing subdivision is 6,000 gross square feet.

2. Residential Density. The maximum residential density for workforce housing subdivisions shall be determined on the basis of the gross area of the subdivision as follows:

a. Commercial Retail, Office and Professional, and Residential Multi-Family: As specified in Section 22.10.130; except where a lower maximum density is required by Article 9 (Planning Area Standards) or Article 10 (Community Planning Standards) of this Title.

b. Residential Single-Family:

(1) One lot per 6,000 square feet; and

(2) No more than one residential unit per lot, except that secondary residences may be established on parcels with a minimum lot size of 4,000 square feet with a request for exception from the provisions of Section 22.30.470E (Minimum Site Area), consistent with Section 22.30.020D.

3. Lot size and design. Notwithstanding the minimum parcel sizes designated in Chapter 22.22 and the parcel design standards established in Section 21.03.010, the minimum lot dimensions resulting from a workforce housing subdivision shall be as follows:

Standards affecting density, minimum site area, lot size and design, setbacks, parking, etc. are addressed here. These standards override the countywide standards elsewhere in the ordinance.

Multi-family residential density is not affected, except that a 6,000 sq ft minimum parcel size is not required for more than one unit.

RSF-zoned land receives the same density bonus as a cluster subdivision.

As in planned developments, second units would be allowed on lots of at least 4,000 sqft.

Smaller lot sizes are allowable, but density still must comply with RSF or RMF zoning requirements.

Attachment 2 - Exhibit B - Workforce Housing Ordinance Amendments

- a. Minimum Lot Size: 1,000 gross square feet
 - b. Minimum Lot Width: 15 feet.
 - c. Minimum Private Outdoor Area: A useable private outdoor area shall be provided for each lot. This area may include patios, decks, balconies, or yards. The following requirements apply:
 - (1) The private outdoor area shall include at least one unobstructed rectangular area measuring at least 6 feet by at least 8 feet.
 - (2) Each lot shall have at least 200 square feet of cumulative private outdoor area.
4. Setbacks. Notwithstanding the setbacks specified in Section 22.10.140, the following setbacks shall apply within a workforce housing subdivision:
- a. Setbacks from exterior subdivision boundaries. A lot within a workforce housing subdivision shall maintain a minimum setback of 5 feet from any lot outside of the subdivision, as indicated in Figure 30-1.
 - b. Interior lot line setbacks. A minimum 3-foot setback shall be established from all lot boundaries adjacent to other lots within the workforce housing subdivision, as indicated in Figure 30-2. This setback may be reduced to 0 feet with an adjustment, pursuant to Section 22.70.030, provided that development on each parcel remains structurally independent.

Figure 30-1 – Exterior Subdivision Boundaries

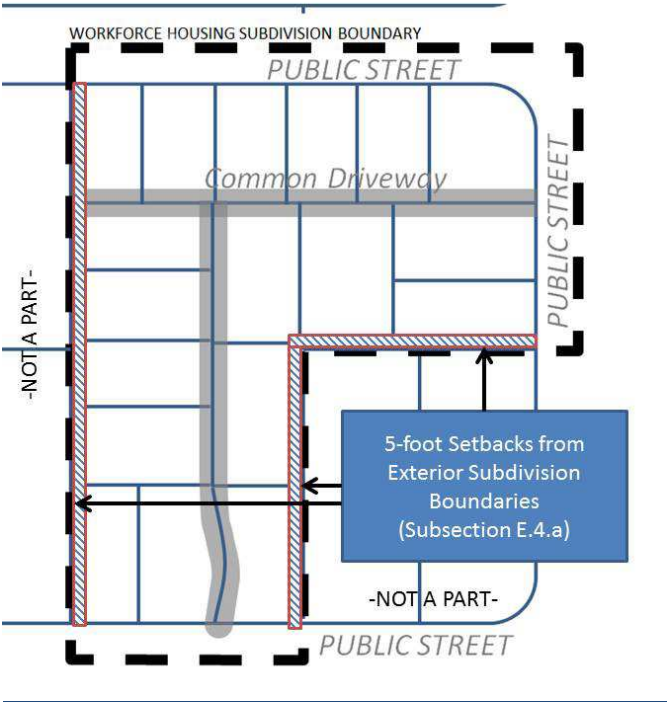
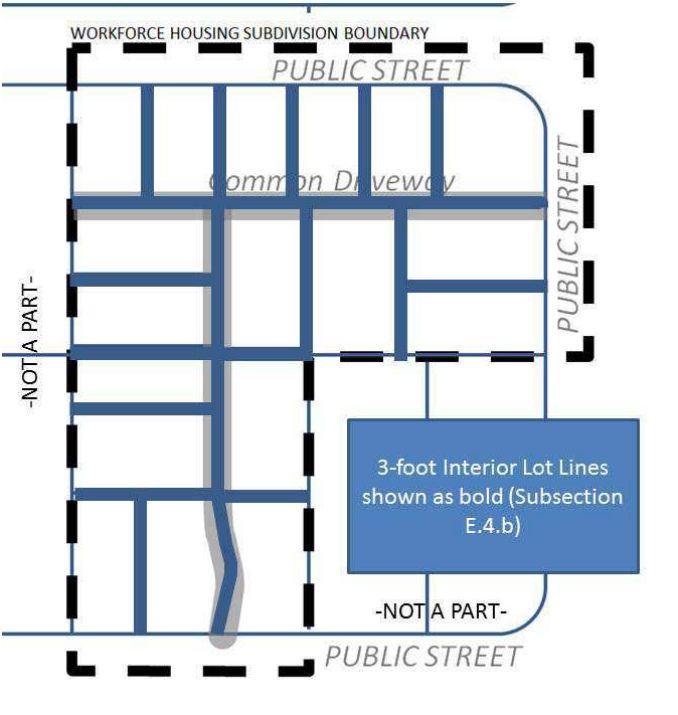


Figure 30-2 – Interior Lot Lines

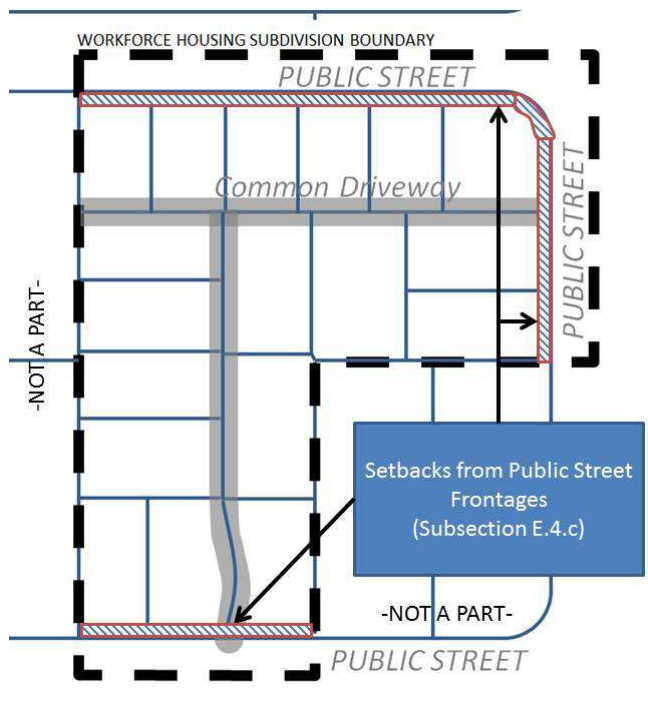


c. Setbacks from lot lines with public street frontages: A minimum setback of 15 feet shall be established from any public road right-of-way, as indicated in Figure 30-3; except in the following circumstances:

Setbacks from a public street frontage is 15 feet, except in certain circumstances.

- (1) Front porches and/or entryway features shall be set back a minimum of 10 feet.
- (2) Garages fronting and directly accessible from a public road shall be set back a minimum of 20 feet from back of sidewalk.
- (3) Where a lot created by a workforce housing subdivision has frontage on two public streets, one of the two frontages shall have a minimum set back of 10 feet.
- (4) A reduced structural setback of 10 feet may be approved with an adjustment, pursuant to Section 22.70.030.

Figure 30-3 – Public Street Frontages



5. Parking.

a. Number of spaces. Parking shall be provided on each parcel or in a consolidated location within or adjacent to the workforce housing subdivision, as follows:

Parking requirements are equivalent to the Small Lot Single Family standard (22.30.475).

<u>Size of Unit</u>	<u>Number of Parking Spaces</u>
<u>Units 800 square feet or less in size</u>	<u>1 space</u>
<u>Units 801 to 1,000 square feet in size</u>	<u>1.5 spaces</u>
<u>Units over 1,000 square feet in size</u>	<u>2 spaces</u>

b. Consolidated parking. If parking within the workforce housing subdivision is proposed to be consolidated, the following standards shall apply.

- (1) Uncovered residential parking spaces shall be screened from public streets and adjacent residential uses by landscaping or architectural screening.
- (2) Shall be located in clusters of not more than six spaces. Each parking bay of six spaces shall be separated by at least a six-foot landscape area unless located under a covered structure, which would allow up to 10 spaces.
- (3) All detached covered parking shall have a roof design that is consistent with the architecture of the primary structures. Flat or slightly pitched roofs may be used for solar access applications or where the architectural relationship to the overall design is compatible.

All parcels must have vehicular access from the designated parking area to a public road.

Alternatively, if parking is consolidated, each lot may only need a 10-foot wide pedestrian passageway for access.

6. Road Access.

Private easements may be used for road access.

a. All lots shall have vehicular access (either direct or by private easement) to a publicly maintained road; except that an adjustment may be granted pursuant to Section 21.03.020 for subdivisions where the following standards are met:

35 percent open space required.

- (1) Designated parking for multiple lots is consolidated on-site or adjacent to the site in a location that has vehicular access from a publicly maintained road.
- (2) Lots with no vehicular access to a publicly maintained road shall, at a minimum, have pedestrian access by way of a passageway of at least 10 feet in width, extending from a publicly maintained road to one entrance of each dwelling unit.

Community design plans and planning area standards must be followed.

b. Notwithstanding the provisions of Section 21.03.010(d)(7), a private easement may be used to provide vehicular access within a workforce housing subdivision, regardless of the number of lots.

Projects should be designed to be consistent with new workforce housing design guidelines.

7. Site planning and residential design.

- a. **Minimum open area.** The minimum open area, including setbacks and all areas of the site except buildings shall be at least 35 percent of the gross lot area.
- b. **Compliance with Countywide and Community Design Plans.** Residences in workforce housing subdivisions should be consistent with the Countywide Design Plan and any relevant local design plans.
- c. **Compliance with Workforce Housing Design Guidelines.** Residences in workforce housing subdivisions should be consistent with the Workforce Housing Design Guidelines.
- d. **Front entrances.**

- (1) Each primary residence shall be provided with a decorative entry feature, consistent with the Workforce Housing Design Guidelines.
- (2) Lots abutting a publicly maintained road shall have their primary residence's front entrance oriented towards that road. The location of primary residence's front entrance shall be designated for each lot within the subdivision.

Front entrances should face the street in order to integrate with the surrounding development.

- e. **Storage.** For units with no dedicated enclosed parking, a storage area of a minimum of 100 cubic feet shall be provided for each unit. The storage may be attached to the dwellings or may be attached to a carport structure.
- f. **Street trees.** A minimum of one street tree per 25 feet of public road frontage shall be provided. Street trees shall be located within the road right-of-way or the front or street side setback of the subdivision.
- g. **Fencing.** Fencing within designated street frontage setbacks shall not exceed four feet in height.

For developments with no garage, storage space is required.

8. Inclusionary housing. Workforce housing subdivisions are eligible for the following inclusionary housing benefits:

- a. **Secondary dwellings as inclusionary housing units.** Any secondary dwellings developed as part of a workforce housing subdivision may be counted towards 50% of the required inclusionary housing units.

Secondary units may satisfy half of the required inclusionary housing units.

b. Reduction in required inclusionary units. Workforce housing subdivisions are eligible for a 25 percent reduction in the number of required inclusionary housing units, pursuant to Section 22.12.080G.7. In addition, one of the following incentives may apply:

(1) If all of a project's inclusionary requirements are met on-site, the inclusionary requirement may be further reduced by 25 percent, in accordance with Section 22.12.080G.2.

(2) If all of a project's inclusionary requirements are met within the a URL or VRL, the inclusionary requirement may be further reduced by 25 percent, in accordance with Section 22.12.080G.6.

Workforce housing subdivisions automatically qualify for 25% reduction in the number of inclusionary units.

This can increase to 50% if all inclusionary units are constructed on-site or within URL or VRL.

F. Ownership and maintenance. Facilities that are common to a workforce housing subdivision shall be owned and maintained in common by the owners of the separate interests who have rights to beneficial use and enjoyment through easements and a maintenance agreement.

A homeowner's association is not automatically required, but there must be some mechanism for maintenance of common facilities.

G. Additional map sheet. An additional map sheet shall be concurrently recorded with the final tract map or parcel map (or a developer's agreement with a certificate of compliance effectuating a lot line adjustment), including, at a minimum, the following items:

Requirements and limitations on the subdivision will be shown on an additional map sheet.

1. Graphic exhibit. A graphic exhibit, consistent with plans approved by the Reviewing Authority showing the following features in relation to the lot and subdivision boundaries:

- a. Identification of the location of the front property line for each parcel.
- b. Building setback lines. Alternatively, a setback table indicating the approved setbacks for each lot may be provided.
- c. Conceptual floor plans and elevations.
- d. Restricted open areas where structural development is precluded, such as the designated useable yard area.
- e. Identification of common facilities, such as driveways, utilities, drainage systems, garbage collection, and guest parking.
- f. Location of any infrastructure referenced in the maintenance agreement.

2. Notification of Maintenance Agreement. Notification that a maintenance agreement for common subdivision infrastructure is recorded.

3. Conditions of approval. A copy of the conditions of approval affecting the workforce housing subdivision shall be included with the additional map sheet.

H. Timing.

1. Eligibility. An application for subdivision pursuant to this Section shall only be accepted for processing when the following timing eligibility criteria have been satisfied:

a. **Cap on number of lots in each community.** No more than 100 cumulative lots may be approved pursuant to this Section as part of one or more workforce housing subdivisions within the project site's Urban or Village Reserve Line.

b. **Sunset.** The date of acceptance for workforce housing subdivisions must be prior to January 1, 2021 to qualify.

2. Expiration. Timeframes and time extensions for workforce housing subdivisions are the same as those timeframes associated with the approved tentative map or lot line adjustment.

The ordinance will be limited to creating 100 lots per community and will expire in 2021.

Section 2

Modify Subsection A of Section 22.30.490 (Residential uses in Office or Commercial Retail Land Use Category)

PURPOSE
To allow multi-family residential as a primary use in mixed use developments.
PRESENT CONDITIONS
Mixed use developments are commercial developments with a residential component. The ordinance allows residential development in certain commercial zones, if such residential development is subordinate to a primary commercial use (i.e. at least 50 percent of the floor area is commercial). The section also allows multi-family residential as a primary use if specified by planning area standard for a specific site (e.g. Nipomo central business district).
DESIRED EFFECT
This section would allow residential uses to be established in the Commercial Retail (CR) or Office and Professional (OP) zones as a primary use, provided that certain standards are met.

22.30.490 – Residential Uses in Office or Commercial Retail Land Use Category

A. Limitation on use. Except where prohibited by planning area standards (Article 9) and community planning standards (Article 10), new single-family or multi-family dwellings are allowed in an Office and Professional or Commercial Retail category, provided that they comply with the following requirements:

- 1. Principal commercial use.** ~~The~~ Except as provided in Subsections A.2 and A.3 below, residential units shall be subordinate to the primary commercial or office use of the site, located on either the second floor and/or rear of the site, and structurally attached to the main building. The first floor or front part of the building shall be used for the principal office or retail uses.

By default, the principal use on the site must be commercial.

2. Principal residential use authorized by Planning Area Standard.

Single-family or multi-family residential development may be authorized as a principal use through Minor Use Permit or Conditional Use Permit approval in a Commercial Retail or Office and Professional category, ~~only~~ if provisions to do so are included in the applicable planning area standards in Article 9.

In some areas (e.g. Nipomo CBD and parts of Templeton) residential as a primary use is authorized by Planning Area Standard.

3. Principal residential use in other areas. Single-family or multi-family residential development may be authorized as a principal use through Minor Use Permit or Conditional Use Permit approval in a Commercial Retail or Office and Professional category, provided that the following requirements are satisfied:

This creates requirements for how a principal residential use can be established in other areas (where there is no specific Planning Area Standard).

a. **Design.** The project shall be designed such that at least 50 percent of the floor area may be occupied for principal commercial use. Structural design must take into account all necessary building code requirements for commercial uses, such as those for accessibility and fire safety.

The development must be designed to accommodate at least 50% commercial uses, even if some of these areas will be residential.

b. **Buildings fronting a public road.** Residential uses shall occur only on the upper floors of a building fronting a public road. On lots fronting multiple public roads, at least one frontage (preferably an arterial or collector) shall be in compliance with these requirements. The ground floor shall be reserved for principal commercial uses, except where the Review Authority approves an interim residential use on the ground floor. The following requirements apply to ensure that commercial uses are not precluded from ground floor space:

The ground floor of buildings fronting a public road must meet certain commercial design standards.

(1) The ground floor building façade must abut front and street side property lines. Setbacks of up to 10 feet may be approved if needed to provide useable public space such as a plaza or dining area.

A 12-foot floor-to-floor ceiling is needed to accommodate commercial uses.

(2) Ground floor space shall have a minimum floor-to-floor ceiling height of 12 feet.

(3) A minimum of 60 percent of the street-facing façade between two feet and eight feet in height shall be comprised of transparent storefront windows that allow views of indoor space or product display areas.

(4) The primary entrance to ground floor commercial space shall be oriented towards the public street.

Interim residential use may be approved by the Review Authority.

c. Interim residential use. The Review Authority may authorize commercial spaces, including the ground floor of buildings fronting a public road, to be used temporarily for residential purposes. The Review Authority's approval shall, at a minimum, consider the following:

(1) Longevity. Residential use of principal commercial space shall only be allowed as an interim use when the space would otherwise be vacant due to lack of commercial demand. The Review Authority shall establish the length of the interim period at the time of subdivision approval, and may grant future extensions of the interim period.

Commercial space should be made available for commercial use if there is demand.

(2) Exterior modifications for conversion to residential use. Even when used for interim residential purposes, the ground floor of buildings fronting a public road shall maintain a commercial appearance. Exterior modifications to commercial space to accommodate an interim residential shall not preclude future commercial use and shall be limited to the following:

Exterior modifications to allow residential use of commercial buildings is limited.

(a) Modifying the entryway to the unit.

(b) Reducing the transparency of storefront glass.

(c) Any other necessary modifications the Review Authority deems appropriate.

Section 3

Modify Subsection A.2 of Section 22.10.130 (Residential Density)

PURPOSE
To allow residential density in workforce housing subdivisions to be determined by the workforce housing ordinance, rather than applying the standard ordinance requirements.
PRESENT CONDITIONS
In both the Residential Multi-Family (RMF) and Residential Single Family (RSF) land use category, only one residence is allowed per lot if the lot is sized under 6,000 square feet. Secondary residences are therefore prohibited on lots under 6,000 square feet in size.
DESIRED EFFECT
This ordinance would make an exception to the secondary residence prohibition on lots in workforce housing subdivisions within the RMF land use category. The exception would allow secondary residences on lots of at least 4,000 square feet.

22.10.130 – Residential Density

A. Single-family dwellings

- 2. Residential land use categories:** One for each legal parcel, except as follows:
- a. **Areas with special density standards.** Where planning area standards of Chapter 22.09 (Community Planning Standards) establish density requirements, the planning area standards shall control and determine the number of allowed dwelling units.
 - b. **Density bonus projects.** The number of dwelling units allowed in a project that proposed affordable housing in compliance with Government Code 65915 or with Section 22.12.080 – Inclusionary Housing, shall be determined by Chapter 22.12 (Affordable Housing Incentives)

- c. **Residential Multi-Family category.** The number of dwelling units allowed on a lot in the Residential Multi Family category shall be as allowed in Subsection B, except for workforce housing subdivisions processed pursuant to Section 22.30.477.
- d. **Secondary dwellings.** A secondary dwelling may be established in addition to the use authorized by this Section, if allowed by Section 22.30.470.
- e. **Detached guesthouse or home office.** A detached guesthouse or home office may be established accessory to the unit authorized by this Section, in compliance with Section 22.30.410.E (Guesthouses and Offices).
- f. **Workforce housing subdivisions.** Residential density in workforce housing subdivisions shall be as allowed by Section 22.30.477 – Residential - Workforce Housing Subdivisions.

Section 4

Modify Table 2-2 (Section 22.06.030) to include Workforce Housing Subdivisions as a use subject to the restrictions in Section 22.30.477.

PURPOSE
To establish workforce housing subdivisions as a use in Table 2-2 (Section 22.06.030) and reference special use subject to standards in Section 22.30.477.
PRESENT CONDITIONS
Workforce housing subdivisions are not shown in Table 2-2 (Section 22.06.030).
DESIRED EFFECT
This section would include Workforce Housing Subdivisions as a use in Table 2-2 (Section 22.06.030) subject to the restrictions in Section 22.30.477.

Changes to Table 2-2 affect only the residential land use pages (Pages 2-18 and 2-19 in the July 2014 version of Title 22). These changes are reflected on the following pages.

TABLE 2-2 - ALLOWABLE LAND USES AND PERMIT REQUIREMENTS

LAND USE (1) (2)	PERMIT REQUIREMENT BY L.U.C. (3)						Specific use Standards
	AG(9)	RL	RR	RS	RSF	RMF	
RESIDENTIAL USES							
Caretaker Quarters	P	P	P	P			22.30.030,430
Farm Support Quarters	A2	A2					22.30.480
Home Occupations	P	P	P	P	P	P	22.30.030,230
Mobile Home Parks			CUP(7)	CUP(7)	CUP(7)	CUP(7)	22.30.440
Mobile Homes	P	P	P	P	P	P	22.30.450
Multi-Family Dwellings						A1	22.30.490,500
Nursing & Personal Care				CUP		CUP	22.30.320
Organizational Houses						CUP	22.30.460
Residential Accessory Uses	P(8)	P(8)	P(8)	P(8)	P(8)	P(8)	22.30.030,410
Residential Care - 6 or fewer boarders	P(6)	P(6)	P(6)	P(6)	P(6)	P(6)	22.30.420
Residential Care - 7 or more boarders	CUP	CUP	CUP	CUP	CUP	CUP	22.30.420
Secondary Dwellings			P	P	P		22.30.470
Single-Family Dwellings	P	A1	A1	A1	A1	A1	22.30.490,500
Small Lot Single Family					A2	A2	22.30.475
Supportive Housing							
Single-Family Dwellings	P	A1	A1	A1	A1	A1	22.30.490,500
Multi-Family Dwellings						A1	22.30.490,500
Temporary Construction Trailer Parks	CUP(7)	CUP(7)	CUP(7)				22.30.590
Temporary Dwellings	P	P	P	P	P	P	22.30.600
Transitional Housing							
Single-Family Dwellings	P	A1	A1	A1	A1	A1	22.30.490,500
Multi-Family Dwellings						A1	22.30.490,500
Workforce Housing Subdivisions	-	-	-	-	A2	A2	22.30.477, 490

KEY TO PERMIT REQUIREMENTS

Symbol	Permit Requirement	Procedure is in Section:
A1	Allowable use, subject to the land use permit required by 22.06.030, Table 2-3	22.08.030
A2	Allowable use, subject to the land use permit required by the specific use standards.	22.30
P	Permitted use, Zoning Clearance required. (4)	22.62.030
SP	Permitted use, Site Plan Review required. (4)	22.62.040
MUP	Conditional use - Minor Use Permit required. (4)	22.62.050
CUP	Conditional use - Conditional Use Permit required. (4)	22.62.060
	Use not allowed. (See 22.06.030.C regarding uses not listed.)	22.06.030.C

See NOTES on next page.

TABLE 2-2 - ALLOWABLE LAND USES AND PERMIT REQUIREMENTS

LAND USE (1) (2)	PERMIT REQUIREMENT BY L.U.C. (3)							Specific use Standards
	OP	CR	CS	IND	OS	REC	PF	
RESIDENTIAL USES								
Caretaker Quarters	P	P	P	P	SP(5)	P	P	22.30.030,430
Farm Support Quarters								22.30.480
Home Occupations	P	P	P	P		P	P	22.30.030,230
Mobile Home Parks						CUP(7)		22.30.440
Mobile Homes						P	P	22.30.450
Multi-Family Dwellings	A2	A2				A2		22.30.490,500
Nursing & Personal Care	A1	CUP					A1	22.30.320
Organizational Houses	CUP	CUP						22.30.460
Residential Accessory Uses	P(8)	P(8)	P(8)	P(8)	SP(5)(8)	P(8)	P(8)	22.30.030,410
Residential Care - 6 or fewer boarders							P(6)	22.30.420
Residential Care - 7 or more boarders	CUP						A1	22.30.420
Secondary Dwellings								22.30.470
Single-Family Dwellings	A2	A2				A2		22.30.490,500
Small Lot Single Family								22.30.475
Supportive Housing								
Single-Family Dwellings	A2	A2				A2		22.30.400,500
Multi-Family Dwellings	A2	A2				A2		22.30.400,500
Temporary Construction Trailer Parks				CUP(7)				22.30.590
Temporary Dwellings	P	P	P	P		P	P	22.30.600
Transitional Housing								
Single-Family Dwellings	A2	A2				A2		22.30.490,500
Multi-Family Dwellings	A2	A2				A2		22.30.490,500
Workforce Housing Subdivisions	A2	A2	-	-	-	-	-	22.30.477

NOTES (The following notes apply only to these two facing pages)

- (1) See Article 8 for definitions of the listed land uses.
- (2) See Article 9 for any restrictions or special permit requirements for a listed use in a specific community or area.
- (3) L.U.C. means "land use category." See Section 22.04.020, Table 2-1, for a key to the land use category abbreviations.
- (4) Business License Clearance may also be required; see Section 22.62.020.
- (5) Use allowed on private land with Site Plan Review only when authorized by a recorded open space easement executed by the property owner and the County. Use allowed on public land subject to Conditional Use Permit approval.
- (6) No land use permit required for Residential Care facilities with 6 or fewer clients.
- (7) Use also requires authorization from the California Department of Housing and Community Development.
- (8) Residential antennas may have different permit requirements. See Section 22.30.410.
- (9) Land uses on property under Williamson Act Contracts must adhere to the County's Rules of Procedure to Implement The California Land Conservation Act of 1965 (Table 2), individual Contracts, the provisions of the Williamson Act itself and any changes that may be made to it.

Section 5

Add new Subsection G.7 to Section 22.12.080 (Inclusionary Housing)

PURPOSE
To reduce the number of required inclusionary housing units for qualifying workforce housing subdivisions.
PRESENT CONDITIONS
New subdivisions are required to provide inclusionary housing units that are affordable to very low, low, and moderate income households. The required inclusionary housing units may be reduced by 25 percent if all units are constructed on site or within an incorporated city.
DESIRED EFFECT
This section would automatically reduce the number of required inclusionary housing units by 25 percent for projects that qualify as workforce housing subdivisions.

G. Development incentives for residential and commercial/industrial projects. When the inclusionary housing units required by this Section are to be constructed on-site or off-site, the following incentive shall be available:

7. **Workforce Housing Subdivisions.** The number of required inclusionary housing units for a workforce housing subdivision approved in accordance with Section 22.30.477 shall be reduced by 25 percent.

Section 6

Modify Subsection H of Section 22.12.080 (Inclusionary Housing)

PURPOSE
(1) To allow secondary residences developed in workforce housing subdivisions to count towards meeting inclusionary housing unit obligations. (2) To eliminate the requirement for a long-term affordability deed restriction on secondary units in workforce housing subdivisions.
PRESENT CONDITIONS
Secondary residences may count for up to 30 percent of a project’s inclusionary housing requirement. If secondary residences are used for inclusionary housing, restrictive covenants must be recorded to ensure long-term affordability.
DESIRED EFFECT
This section allows up to 50 percent of the inclusionary housing obligation to be satisfied by constructing secondary residences. It also eliminates the requirement that secondary units constructed as inclusionary housing be subject to a deed restriction for long-term affordability.

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- H. Development standards for inclusionary housing.** Inclusionary housing units and land donation(s) that are provided in compliance with this Section are subject to the following standards:
- 1. Affordability.** The selection of eligible households, calculation of sales prices, and preparation of long term affordability agreements shall be in conformance with the provisions of Section 22.12.070 – Housing Affordability Standards, except for secondary dwelling units developed in an approved workforce housing subdivision in accordance with Section 22.30.477.

2. Inclusionary housing design in residential and mixed-use projects.

- a. The inclusionary housing units shall have compatible exterior designs and finishes to the development's market rate units.
- b. The inclusionary units may be smaller in size and have different interior finishes, features, and appliances, so long as the interior components are durable, of good quality, and consistent with contemporary standards for new housing.
- c. In 50 percent or more of the inclusionary housing units, the average number of bedrooms shall be equal to or greater than the average number of bedrooms in the development's market-rate units.
- d. Up to 30 percent of the inclusionary housing units may be secondary dwelling units pursuant to Section 22.30.470 – Residential – Secondary Dwellings. For workforce housing subdivisions approved pursuant to Section 22.30.477, up to 50 percent of the inclusionary housing units may be secondary dwelling units.

Section 7

Add new Subsection E to Section 22.22.020 (Applicability)

PURPOSE
To allow reduced minimum parcel sizes in workforce housing subdivisions to be set by the Workforce Housing Subdivision Ordinance (Section 22.30.477) rather than Section 22.22.080.
PRESENT CONDITIONS
The minimum parcel size for new subdivisions in the Residential Multi-Family (RMF) and Residential Single Family (RSF) zones is 6,000 square feet (Section 22.22.080). Exceptions are available for Cluster Divisions (Section 22.22.140) and Planned Developments (Section 22.22.145).
DESIRED EFFECT
This section will exempt workforce housing subdivisions from the minimum parcel size standards in Chapter 22.22, and instead apply separate standards (see Section 1).

22.22.020 Applicability

E. Workforce housing subdivisions. The minimum parcel size for workforce housing subdivisions is determined by Section 22.30.477 (Residential – Workforce Housing Subdivisions).

Section 8

Add new definitions to Chapter 22.80

PURPOSE
To define new terms established in the workforce housing subdivision ordinance.
PRESENT CONDITIONS
Chapter 22.80 contains the definitions of terms used throughout the Land Use Ordinance (Title 22 of the County Code).
DESIRED EFFECT
Providing a common definition for the term “workforce housing subdivision.”

Subdivision, Workforce Housing. A subdivision of land intended to create housing that is affordable to San Luis Obispo County’s workforce. Lots created in a workforce housing subdivision held in individual ownership. Each lot is structurally independent with no shared foundations or common walls.

Section 9

Modify Section 21.03.020 (Adjustments)

PURPOSE
To exempt workforce housing subdivisions from certain parcel design standards in Title 21 (Real Property Development Ordinance).
PRESENT CONDITIONS
Section 21.03.010 of the Real Property Division Ordinance establishes parcel design and roadway requirements for new subdivisions. Subsection (c)(3) requires a minimum lot width, minimum lot depth, and maximum depth-to-width ratio. Subsection (d)(7) limits the use of private easements to five lots.
DESIRED EFFECT
This section eliminates the need for workforce housing subdivisions to seek an adjustment to certain parcel design and roadway requirements.

21.03.020 – Adjustments

- (a) In performing its responsibilities pursuant to this title, the planning commission and the subdivision review board may consider, and in cases where undue hardship would result from the application of the regulations established in this title, approve adjustments or conditional adjustments to these regulations.
- (b) Requests for adjustments to the standards set forth in Section 21.03.010 of this title shall be submitted in writing to the planning department at the time the applicant submits the application for land division. If the request is for an adjustment to the requirements of the standard improvement specifications and drawings or for required offers of dedication, the adjustment may be requested at the time the applicant submits the application for land division or may be requested after the tentative parcel or tract map has been approved but before recordation of the parcel or tract map. When the regulation from which the applicant is seeking relief is prescribed in Title 22 or Title 23 of this code, the applicant shall seek relief pursuant to that title.

(c) Workforce housing subdivisions processed pursuant to Section 22.30.477 of the Land Use Ordinance are exempt from the standards in Subsections (c)(3) and (d)(7) of Section 21.03.010(Design Criteria in the Real Property Division Ordinance).

(~~e~~d) Neither the planning commission nor the subdivision review board shall approve any adjustment request to the standards set forth in Section 21.03.010 of this title or for required offers of dedication unless it makes each of the following findings:

- (1) That there special circumstances or conditions affecting the subdivision; and
- (2) That the granting of the adjustment will not have a material adverse effect upon the health or safety of persons residing or working in the neighborhood of the subdivision; and
- (3) That the granting of the adjustment will not be materially detrimental to the public welfare or injurious to other property or improvements in the neighborhood of the subdivision.

(~~d~~e) If the request is for an adjustment to the requirements of the standard improvement specifications and drawings, neither the planning commission nor the subdivision review board shall approve the adjustment unless it makes each of the following findings:

- (1) That there are special circumstances or conditions affecting the property being subdivided; and
- (2) That the granting of the adjustment will not be detrimental to the traffic circulation system, the public utility and storm drainage systems, or vehicular or pedestrian safety; and
- (3) That the granting of the adjustment will not result in any unreasonable costs in the maintenance of the improvement by the entity charged with such maintenance responsibility; and
- (4) That the granting of the adjustment will not be detrimental to, nor degrade, any portion of the improvement work involved in the subdivision.

Discussion Log

The following table summarizes some discussion topics raised in meetings with the EVC's workforce housing subcommittee and public comments resulting from release of the Public Review Draft in December 2015.

Discussion Topic		Response
1	How were the reduced percentages arrived at for Oceano and San Miguel?	Oceano and San Miguel are both considered disadvantaged communities. Reduction percentages were arrived at by comparing median incomes in Oceano and San Miguel to the County as a whole, using 2010 Census data.
2	Affordability standards change regularly. Will the ordinance reference these changing standards?	Yes. The ordinance is written requiring affordability pursuant to Section 22.12.070 of the Land Use Ordinance for the "Workforce" range. See Subsection B.3.a of Section 1. The County publishes this information monthly. The ordinance is written to refer to the affordability standard, rather than specifying sales prices.
3	Can we reduce the parking requirement for units between 1,001 and 1,200 square feet from 2 spaces to 1.5 spaces?	County Planning would prefer to match the parking requirement in the workforce housing subdivision ordinance to the existing requirement in the small lot single family planned development ordinance.
4	Can we allow a reduced garage setback of 5 feet or less?	Under the proposed ordinance, a garage setback of 18 feet applies only where the garage is accessed from a public road. Alley-loaded garages would not be subject to this setback.
5	Would attached secondary dwelling units be allowed?	Yes. Secondary dwelling units are governed under Section 22.30.450 of the Land Use Ordinance. This section allows a secondary residence to be physically attached to the primary residence.
6	Are secondary dwelling units allowed on their own separate parcel?	No. Secondary dwelling units are only allowed on a parcel with a primary residence. The overall residential density for a workforce housing subdivision cannot be greater than what is already allowed in the Land Use Ordinance.